

103^D CONGRESS
1ST SESSION

S. 1698

To reduce the paperwork burden on certain rural regulated financial institutions, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 19 (legislative day, NOVEMBER 2), 1993

Mr. WALLOP (for himself, Mr. BOREN, and Mr. MCCAIN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To reduce the paperwork burden on certain rural regulated financial institutions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Community
5 Bank Paperwork Relief Act of 1993”.

6 **SEC. 2. SELF CERTIFICATION.**

7 The Community Reinvestment Act of 1977 (12
8 U.S.C. 2901 et seq.) is amended by adding at the end
9 the following new section:

1 **“SEC. 809. SELF CERTIFICATION FOR INSTITUTIONS IN**
2 **RURAL TOWNS.**

3 “A regulated financial institution shall be exempt
4 from the evaluation and examination requirements of this
5 title if such institution—

6 “(1) is located in a town, political subdivision,
7 or other unit of general local government that—

8 “(A) has a population of not more than
9 20,000 residents, according to the most recent
10 available census data; and

11 “(B) is not located in a metropolitan sta-
12 tistical area of the United States Department of
13 Commerce, Bureau of the Census;

14 “(2) has a net loans and leases to deposits ratio
15 of not less than 70 percent of the average institu-
16 tional ratio of financial institutions of similar size in
17 the same State, as defined by the appropriate Fed-
18 eral financial supervisory agency; and

19 “(3) certifies that it is effectively meeting the
20 credit needs of its entire community, including low-
21 and moderate-income neighborhoods, as determined
22 in regulations published by each appropriate Federal
23 financial supervisory agency.”.

1 **SEC. 3. INCREASED INCENTIVES TO LENDING TO LOW- AND**
2 **MODERATE-INCOME COMMUNITIES.**

3 Section 804 of the Community Reinvestment Act of
4 1977 (12 U.S.C. 2903) is amended by adding at the end
5 the following new subsection:

6 “(c) CERTAIN RURAL INSTITUTIONS.—In evaluating
7 a regulated financial institution, the appropriate Federal
8 financial supervisory agency shall give appropriate consid-
9 eration and weight to the institution’s investments in and
10 loans to joint ventures or other entities or projects that
11 provide benefits to distressed communities located within
12 or outside of the service area of the institution (as such
13 terms are defined by the appropriate Federal financial su-
14 pervisory agency) if such institution—

15 “(1) is located in a town, political subdivision,
16 or other unit of general local government that is not
17 located in a metropolitan statistical area of the
18 United States Department of Commerce, Bureau of
19 the Census; and

20 “(2) does not meet the requirements of section
21 809.”.

○